

Nexus Infrastructure plc

INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 3 FEBRUARY 2023



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Nexus Infrastructure plc

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Nexus Infrastructure plc

Strategic Report

For the period ended 3 February 2023.

Business review

The Company was incorporated on 24 November 2005.

The principal activity of Nexus Infrastructure plc is specialised construction activities.

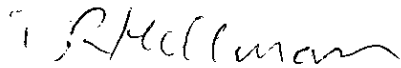
Administrative expenses totalled £1,734,244 (2022: £2,051,000).

Net assets at the end of the period are £99,411,000 (2022: £27,411,000).

Principal risks and uncertainties

The principal risks of the business comprise those of the wider economic environment and are managed by the Board of Nexus Infrastructure plc. Refer to the principal risks and uncertainties section of their Annual report for details.

This report was approved by the board and signed on its behalf.



D R Hillman

Director

Date: 28 February 2023

Nexus Infrastructure plc

Directors, officers and advisers

Directors	F Griffith D R Hillman R A Kilner C Lacey M Morris C Sweeney A Wiseman
Company secretary	D R Hillman
Registered number	05635505
Registered office	Nexus Park Avenue East Skyline 120 Great Notley Braintree Essex CM77 7AL
Independent auditors	PricewaterhouseCoopers LLP The Maurice Wilkes Building St. John's Innovation Park Cowley Road Cambridge CB4 0DS

Nexus Infrastructure plc

Directors' Report

For the period ended 3 February 2023.

The Directors present their report and financial statements for the period ended 3 February 2023.

The Company is a public limited company and is incorporated and domiciled in the UK. For further details on the Directors, officers and advisors please refer to page 2.

Results and dividends

The profit for the period, after taxation, amounted to £71,300,490 (2022 : £1,624,000).

Political donations

The Company has made no political donations during any of the periods presented.

Directors

The Directors of the Company who were in office during the period and up to date of signing the financial statements were:

F Griffith
D R Hillman (appointed 3 February 2023)
R A Kilner
C Lacey
A C Martin (resigned 3 February 2023)
M T Morris
C Sweeney (appointed 3 February 2023)
A Wiseman

Directors' indemnity

Directors risk personal liability under civil and criminal law for many aspects of the Company's business decisions. The Company believes that it is in the best interests of the Company to protect the individuals concerned from the consequences of innocent error or omission. Therefore, the Company has provided qualifying third party indemnity provisions in respect of Directors and senior officers who were in force during the period and at the date of this report. The Company has taken out Directors' indemnity insurance to cover any losses arising as a result of this indemnity.

Going concern

On 3 February 2023 Nexus Infrastructure plc completed the sale of its investments in TriConnex Ltd and eSmart Networks Ltd to the value of £77.7m. Following completion the Company will be carrying out a process to distribute funds to shareholders. This distribution will be from distributable reserves. The Directors have undertaken a future cash flow analysis and as a result have a reasonable expectation that the Company has adequate resources to meet its liabilities, post the distribution, as they arise for at least twelve months from the approval of these financial statements and, consequently, the Directors have adopted the going concern basis of accounting in the preparation of these financial statements.

Environmental, Social and Governance

Giving things back to our local and wider communities remains a core value for the business and Nexus Infrastructure plc. Our ESG policy covers our relationships with education, charities, our employees' quality of life and their environment. We carry out, attend and support numerous events throughout the period and intend to continue and improve on this as the business grows.

Statement of director's responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Nexus Infrastructure plc

Directors' Report (continued)

For the period ended 3 February 2023

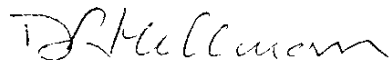
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

This report was approved by the board on 28 February 2023 and signed on its behalf by:



D R Hillman
Director

Statement of comprehensive income

For the period ended 3 February 2023

		Unaudited Period ended 3 February 2023 £'000	Audited Year ended 30 September 2022 £'000
	Note		
Other Income		-	3,709
Sale of available for sale investments		73,036	-
Administrative expenses		(1,734)	(2,051)
Operating Profit	4	71,302	1,658
Finance income		2	9
Finance expense	6	(4)	(70)
Profit/(Loss) before tax		71,300	1,597
Taxation	7	-	27
Profit and total comprehensive expenses for the period		71,300	1,624

The notes on pages 9 to 16 form part of the financial statements and accounting policies.

Nexus Infrastructure plc

Statement of financial position

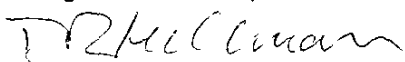
As at 3 February 2023

Company number: 05635505

	Note	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Non-current assets			
Property, plant and equipment	9	421	275
Right of use assets		5	5
Investments in subsidiaries	10	20,544	23,545
Deferred tax asset		4	4
Total non-current assets		20,974	23,829
Current assets			
Inventories	11	60	43
Trade and other receivables	12	6,445	6,312
Cash and cash equivalents		79,312	3,099
Total current assets		85,817	9,454
Total assets		106,791	33,283
Current liabilities			
Borrowings	13	-	-
Trade and other payables	14	7,375	5,867
Lease Liabilities	15	1	1
Total current liabilities		7,376	5,868
Non-current liabilities			
Borrowings	13	-	-
Deferred tax liabilities		-	-
Lease Liabilities	15	4	4
Total non-current liabilities		4	4
Total liabilities		7,380	5,872
Net assets		99,411	27,411
Equity			
Share capital	16	911	911
Share premium account		9,419	9,419
Retained earnings		89,081	17,081
Total equity		99,411	27,411

The directors have prepared these accounts in accordance with section 836 (2) of the Companies Act 2006.

The financial statements on pages 6 to 15 were approved by the Board of Directors on 28 February 2023 and signed on its behalf by:



D R Hillman
Director

The notes on pages 9 to 16 form part of the financial statements and accounting policies.

Statement of changes in equity

For the period ended 3 February 2023

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Equity as at 1 October 2021	908	11,894	13,688	26,490
Transactions with owners				
Dividend paid	-	-	(1,091)	(1,091)
Share based payment	-	385	-	385
Issue of share capital	3	-	-	3
	3	385	(1,091)	(703)
Total comprehensive income				
Profit for the period	-	-	1,624	1,624
Other comprehensive income	-	-	-	-
	-	-	1,624	1,624
Equity as at 30 September 2022	911	12,279	14,221	27,411
Transactions with owners				
Dividend paid	-	-	-	-
Share based payment	-	700	-	700
Issue of share capital	-	-	-	-
	-	700	-	700
Total comprehensive income				
Profit for the period	-	-	71,300	71,300
Other comprehensive income	-	-	-	-
	-	-	71,300	71,300
Equity as at 3 February 2023	911	12,979	85,521	99,411

There are no other items in comprehensive income other than profit for the period.

The notes on pages 9 to 16 form part of the financial statements and accounting policies.

Nexus Infrastructure plc

Notes to the financial statements

1. Accounting policies

General information

The principal activity of Nexus Infrastructure plc is specialised construction activities.

The Company is a public limited company (Limited by shares) and is incorporated and domiciled in the UK. The address of the registered office is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL.

The registered number of the Company is 05635505.

Basis of preparation

The financial statements are for the period ended 3 February 2023. They have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and are presented in sterling rounded to the nearest thousand except where indicated otherwise.

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.

Going concern

On 3 February 2023 Nexus Infrastructure plc completed the sale of its investments in TriConnex Ltd and eSmart Networks Ltd to the value of £77.7m. Following completion the Company will be carrying out a process to distribute funds to shareholders. This distribution will be from distributable reserves. The Directors have undertaken a future cash flow analysis and as a result have a reasonable expectation that the Company has adequate resources to meet its liabilities, post the distribution, as they arise for at least twelve months from the approval of these financial statements and, consequently, the Directors have adopted the going concern basis of accounting in the preparation of these financial statements.

New and amended standards adopted by the Company

The Company has not applied any new standards, interpretations and amendments for the period commencing 1 October 2022.

Standards, interpretations and amendments in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 3 February 2023 reporting periods and have not been adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

Nexus Infrastructure plc

Notes to the financial statements

1. Accounting policies (continued)

Other income

Other income relates to fees charged to other group companies for supply of services.

Sale of available for sale investments

Sale of available for sale investments relates to the sale of TriConnex Ltd and eSmart Networks Ltd for the sum of £77.7m less costs associated with the transaction.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

- Fixtures and fittings - 3-10 years straight line
- Right of Use Asset - 20 years straight line

Financial instruments

The Company classifies its financial assets into the following three measurement categories based on the way the asset is managed and its contractual cash flow characteristics:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income.

Fair value through profit or loss

Assets that do not meet the criteria of amortised cost or fair value through other comprehensive income are measured at fair value through profit and loss.

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. Based on the way these financial instruments are being managed, and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost.

Financial instruments – impairment

The Company assesses the expected credit losses associated with its financial assets measured at amortised cost on a forward-looking basis. The Company applies the simplified approach as permitted by IFRS 9.

Investments

The Company has investments in subsidiaries which are carried at historical cost, less any provision for impairment.

Share capital and retained earnings

Ordinary shares are classified as equity. Incremental costs attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings are classified as equity.

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability which is a contractual obligation to deliver cash or similar to another entity or a potentially unfavourable exchange of financial assets or liabilities with another entity.

Dividends

Final equity dividends to the shareholders of Nexus Infrastructure plc are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

Tax

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

Notes to the financial statements

1. Accounting policies (continued)

Tax (continued)

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

The recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Share-based payments

The share option scheme allows employees to acquire shares in the capital of the Company. The fair value of these shares options is recognised as an employee expenses in the statement of comprehensive income, together with a corresponding credit to retained earnings in equity. The fair value is measured at grant date and spread over the period in which the employees become unconditionally entitled to the options. The fair value of the share options granted is measured using generally accepted option pricing models, taking into account the terms and conditions upon which the share options were granted. This expense is recognised on a straight-line basis based on the Group's estimate of the number of shares that will vest.

2. Critical accounting estimates and judgements

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements:

- The Company tests investments annually for impairment, based on discounted future cash flows.

3. Capital management

The Company's capital is made up of share capital and retained earnings totalling £99,411,000 (2022: £27,411,000).

The Company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The capital structure of the Company consists of shareholders equity as set out in the statement of changes in equity. All working capital requirements are financed from existing cash resources.

Nexus Infrastructure plc

Notes to the financial statements

4. Operating Profit

The operating profit is stated after charging:

	Unaudited Period ended 3 February 2023 £'000	Audited Year ended 30 September 2022 £'000
Depreciation and amortisation:		
Depreciation of owned assets	42	63
Depreciation of leased assets	-	-
	42	63

5. Staff cost

	Unaudited Period ended 3 February 2023 £'000	Audited Year ended 30 September 2022 £'000
Wages and salaries	948	2,348
Share-based payments	-	385
Social security costs	114	318
Other pension costs	9	114
	1,071	3,165

	2023 Number	2022 Number
Company	36	33

The average number of people employed by the Company (including Directors) during the period was 36 (2022: 33)

6. Finance income and expenses

	Unaudited Period ended 3 February 2023 £'000	Audited Year ended 30 September 2022 £'000
Finance income		
Interest on bank deposits	2	9
Finance expense		
Interest on bank loan	-	(60)
Interest on lease liability	(4)	(10)
Finance expenses (net)	(2)	(61)

Nexus Infrastructure plc

Notes to the financial statements

7. Taxation

Taxation is recognised based on management's estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated effective annual tax rate applied to the pre-tax income for the period ended 3 February 2023 is 0%.

The Company consider the disposal of TriConnex Ltd and eSmart Networks Ltd on 3rd February 2023 would be covered by the UK Substantial Shareholding Exemption and therefore exempt from UK corporation tax.

8. Dividends

	For the period ended 3 February 2023 £'000	For the year ended 30 September 2022 £'000
Amounts recognized as distributions to equity holders in the year		
Interim dividend for the year ended 30 September 2022 of 1p per share	-	272
	-	272

The Board of Directors elected to not propose a final dividend for the year ended 30 September 2022, the total dividend for the year therefore was 1p per share.

9. Property, plant and equipment

	Right of Use Asset £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 October 2021	6	102	108
Additions	-	247	247
Disposals	-	(4)	(4)
At 30 September 2022	6	345	351
Additions	-	188	188
Disposals	-	-	-
At 3 February 2023	6	533	539
Accumulated depreciation			
At 30 September 2021	-	11	12
Charge for the period	1	59	59
At 30 September 2022	1	70	71
Charge for the period		41	41
At 3 February 2023	1	111	112
Net book value			
At 30 September 2022	5	275	280
At 3 February 2023	5	422	427

10. Investments in subsidiaries

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Investments in subsidiary companies	20,544	23,545
	20,544	23,545

Nexus Infrastructure plc

Notes to the financial statements

10. Investments in subsidiaries (Continued)

The following are subsidiaries of Nexus Infrastructure plc, which owns 100% of the ordinary share capital, all of which are registered in England and Wales. On 3rd February Nexus Infrastructure plc sold 100% of the ordinary share capital of TriConnex Ltd and eSmart Networks Ltd.

	Activity
Tamdown Group Limited	Construction services
Tamdown Services Limited ¹	Supply of labour to the construction industry
Tamdown Plant Hire Limited ¹	Engineering plant hire
Nexus Park Limited	Development of building projects

¹ Held by Tamdown Group Limited.

The registered address of all subsidiaries is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL.

11. Inventories

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Raw materials		
Consumables	60	43
	60	43

There were no write downs of inventories during the period.

12. Trade and other receivables

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Amounts owed by Group companies	6,052	5,955
Other receivables	43	46
Prepayments	350	311
	6,445	6,312

Amounts due from Group companies are unsecured, repayable on demand and interest free. Expected credit losses are based on the assumption that repayment of the loan is demanded at reporting date. No allowance for expected credit losses is deemed necessary.

Nexus Infrastructure plc has no overdue or impaired receivables.

Nexus Infrastructure plc

Notes to the financial statements

13. Borrowings

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Current	-	-
Non-current	-	-

14. Trade and other payables

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Current		
Trade payables	653	243
Other payables	18	2
Social security and other tax payable	136	130
Amounts owed to Group companies	4,609	4,808
Accruals	1,959	684
	<u>7,375</u>	<u>5,867</u>

Amounts due to Group companies are unsecured, repayable on demand and interest free.

16. Finance Lease Liability

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
Current	4	4
Non-current	1	1

17. Share capital

	Unaudited 3 February 2023 £'000	Audited 30 September 2022 £'000
45,556,904 ordinary shares of £0.02 each (authorized and in issue)	911	911
	<u>911</u>	<u>911</u>

Shares are fully paid at par and the rights attached to the ordinary shares are disclosed within the articles of association.

Nexus Infrastructure plc

Notes to the financial statements

18. Related party transactions

The Company has a related party relationship with other subsidiaries of Nexus Infrastructure plc.

Transactions in the year are detailed below:

	Unaudited Period ended 3 February 2023 £'000	Audited Year ended 30 September 2022 £'000
Dividend received from other Group companies	-	3,708
Cost recharged receivable from other subsidiaries	1,622	5,755

19. Contingent liabilities

Under a Group registration the Company is jointly liable for Value Added Tax due by other Group companies.

20. Capital commitments

At 3 February 2023 the Company had no capital commitments (2022: £0).

21. Events after the reporting period

On 28 February 2023 the Company launched a Tender Offer to shareholders for the proposed purchase of Ordinary Shares for up to £63 million at a fixed price of 163 pence per Ordinary Share. The purchase is subject to shareholder approval at a General Meeting on 17 March 2023.